SUBJECT: Award of Tender C12-08-07 Maintenance Services for Natural Gas Compressor Stations for Central and Transit Fleet Services (FCS07049)

RECOMMENDATION:

That Corporate Tender C12-08-07 for the Maintenance Services for Natural Gas Compressor Stations for Central and Transit Fleet Services be awarded to the following vendor, in accordance with the terms and conditions of the tender, as follows:

- M.C.I. Inc. with an estimated annual cost of $300,000.00.

EXECUTIVE SUMMARY:

The tender for the Maintenance Services for Natural Gas Compressor Stations for Central and Transit Fleet Services closed on Friday, March 23, 2007. This is a corporate-wide contract which will be utilized by Central and Transit Fleet Services in the City of Hamilton. Section 4.10 – Approval Authority of the Purchasing Policy states that Council approval is required for the award of Corporate Contracts.

BACKGROUND:

The Purchasing Section issued the corporate tender for the Maintenance Services for Natural Gas Compressor Stations on March 8, 2007, with a closing date of March 23, 2007. The term of this contract is for one year with options to renew for 2 one year terms. Two (2) vendors picked up the tender documents and two (2) compliant bids were received.
ANALYSIS/RATIONALE:

Since the services tendered are used for the two Fleet Services departments, it is more cost-effective and efficient for the City to award the services to one vendor. The City benefits from discounted pricing when a corporate contract is issued versus each individual department securing prices on their own for smaller incidents.

ALTERNATIVES FOR CONSIDERATION:

None

FINANCIAL/STAFFING/LEGAL IMPLICATIONS:

Financial Implications

The tender submission information (refer to Table below) outlines the bids received. The bidders were provided with the current list of equipment requiring inspection and services, as well as the Manufacturer’s Recommended Maintenance Schedule. The total price was determined by multiplying the estimated annual hours by the quoted hourly labour rates based on the previous year history.

The following submissions were reviewed:

<table>
<thead>
<tr>
<th>Summary</th>
<th>MCI Inc</th>
<th>Shewfelt Construction Corp.</th>
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</thead>
<tbody>
<tr>
<td>Preventative Maintenance Services</td>
<td>$44,148.00</td>
<td>$49,296.00</td>
</tr>
<tr>
<td>Additional Labour Cost (based on 2006 history)</td>
<td>$117,500.00</td>
<td>$117,500.00</td>
</tr>
<tr>
<td>Parts Cost (based on 2006 history)</td>
<td>$132,500.00</td>
<td>$132,500.00</td>
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</tbody>
</table>

Staffing Implications

There are no staffing implications.

Legal Implications

There are no legal implications.

POLICIES AFFECTING PROPOSAL:

Purchasing Policy Section 4.10 outlines the approval authorities for acquiring goods and services. This contract is a Corporate Contract and requires staff to bring a recommendation to Council for approval.
RELEVANT CONSULTATION:

Public Works staff in Fleet and Facilities were involved in the tender creation and evaluation process.

CITY STRATEGIC COMMITMENT:

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes ☐ No
To ensure that the City has the ongoing services of a qualified maintenance contractor for the preventative maintenance, inspection and servicing of the Compressed Natural Gas Refuelling Stations, for Central and Transit Fleet Services.

Environmental Well-Being is enhanced. ☑ Yes ☐ No
To ensure the proper inspection and service of the Compressed Natural Gas Equipment.

Economic Well-Being is enhanced. ☑ Yes ☐ No

The issuance of this corporate contract ensures that volume discounts are maximized for the City.

Does the option you are recommending create value across all three bottom lines? ☑ Yes ☐ No

Do the options you are recommending make Hamilton a City of choice for high performance public servants? ☐ Yes ☑ No